

SENATE BILL

No. 36

Introduced by Senators Lowenthal and Correa

February 5, 2010

An act to add Chapter 9.6 (commencing with Section 2425) to Division 3 of the Streets and Highways Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 36, as introduced, Lowenthal. Federal transportation economic stimulus funds: 2nd round.

Existing law generally provides for programming and allocation of state and federal transportation capital improvement program funds pursuant to the state transportation improvement program process administered by the California Transportation Commission. Under these provisions, 25% of available funds are available for interregional improvement projects nominated by the Department of Transportation, subject to a requirement that 60% of these funds be available for projects in nonurbanized areas on the interregional road system and for intercity rail projects. The remaining 75% of available funds are available for regional improvement projects nominated by regional agencies. All funds programmed through the state transportation improvement program process are subject to the north-south split, and the regional improvement funds are further subject to the county shares formula.

Existing law establishes special procedures and formulas for allocation and expenditure of federal transportation economic stimulus funds received by the state in 2009.

This bill would require the Department of Transportation to work with local transportation agencies to develop a list of potential projects that may be awarded within a 90-day period of the award to the state

of 2nd round federal transportation economic stimulus funds. The bill would require the department to submit a monthly status report to the Legislature, as specified, with respect to certain milestones for expenditure of these funds. The bill would make related legislative findings and declarations.

The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. The Governor issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on January 8, 2010.

This bill would state that it addresses the fiscal emergency declared by the Governor by proclamation issued on January 8, 2010, pursuant to the California Constitution.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) Congress is considering authorizing a second round of federal
- 4 economic stimulus funding that has the potential to bring \$3.7
- 5 billion to California for investment in transportation infrastructure.
- 6 (b) To ensure that this stimulus package provides immediate
- 7 economic relief by creating or saving jobs in the short-term, the
- 8 federal legislation is expected to include extremely short timelines
- 9 for project delivery that will pose significant challenges to state
- 10 and local agencies.
- 11 (c) Despite a modest economic recovery, the statewide
- 12 unemployment rate remains above 12 percent, with some counties
- 13 experiencing a jobless rate above 20 percent.
- 14 (d) The state must stand ready to use all stimulus funds available
- 15 to it within the timelines provided by the second federal economic
- 16 stimulus act.
- 17 (e) To this end, it is the intent of the Legislature to enact
- 18 legislation that does all of the following:
- 19 (1) Expedites the process by which state and local transportation
- 20 agencies obligate and award federal funds, easing regulatory and
- 21 statutory hurdles where appropriate and in a manner that is
- 22 consistent with the mobility and environmental goals of the state.

(2) Establishes an allocation formula that provides flexibility in the use of funds and ensures geographic equity such that all areas of the state benefit from the second federal economic stimulus act.

(3) Articulates priorities for project selection that will assist state and local agencies in reducing their backlogs of maintenance and rehabilitation projects and enable Proposition 1B (2006) projects, that may otherwise be delayed due to the fiscal environment of the state, to move forward.

SEC. 2. Chapter 9.6 (commencing with Section 2425) is added to Division 3 of the Streets and Highways Code, to read:

CHAPTER 9.6. SECOND ROUND FEDERAL TRANSPORTATION
ECONOMIC STIMULUS FUNDS

2425. This chapter may be cited as the Transportation Economic Stimulus Act of 2010.

2426. (a) The department shall work with local transportation agencies to develop a list of potential projects that may be awarded within a 90-day period after the award of the second round of federal transportation economic stimulus funds to the state. In doing so, the department shall assess whether the project is included in the federal transportation improvement program, has completed applicable state and federal environmental review processes, and would have sufficient funding from other sources to complete the project if stimulus funds were provided.

(b) The department shall submit, on a monthly basis, a status report on the implementation of the federal stimulus act to the Legislative Analyst's Office and the appropriate policy and fiscal committees of the Legislature. This report shall identify each project funded by the federal stimulus act and indicate whether it has been certified, obligated, and awarded, and has had funds disbursed for it. The report shall also indicate the percentage of funds provided to state and local agencies in accordance with the allocation formula established by this chapter has met each of these milestones.

SEC. 3. This act addresses the fiscal emergency declared by the Governor by proclamation on January 8, 2010, pursuant to

- 1 subdivision (f) of Section 10 of Article IV of the California
- 2 Constitution.

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